



June 2006

California Postsecondary Education Commission

General Information About the 2006-07 State Budget

The proposed 2006-07 State budget includes approximately \$131 billion in State spending from various sources. It accelerates repayment of nearly \$3 billion in funds borrowed from various other sources in recent years. It also provides additional billions in new funding to education (mostly K-12) in large part due to the \$7.5 billion surge in State revenues.

- More than \$15 billion in combined general purpose funding (State, local, student fee revenue, selected other funds) to California higher education. This is nearly 7% higher than the 2005-06 appropriation.
- \$11.3 billion in State General Fund support for higher education, 9% above current year levels.
- Public segments' General Fund base funding increases at:
 - CSU – \$130 million, just under a 6% increase;
 - UC – \$156 million, just over a 5% increase;
 - CCC – \$312 million, just under a 6% increase.
- Segmental enrollment growth funding at:
 - UC – 2.5% enrollment growth, \$41.6 million for 5,149 new FTES;
 - CSU – 2.5% enrollment growth, \$47.5 million for 8,306 new FTES;
 - CCC – 2% enrollment growth, \$97.5 million for approximately 23,300 new FTE students.
- No increases in systemwide student fee levels at UC and the CSU, with the \$129 million in estimated lost fee revenues backfilled with State General Funds.
- A reduction in the systemwide student fee level at the CCC, from the current **\$26** per unit to **\$20** per unit, effective in Spring 2007, with \$40 million in estimated lost fee revenues backfilled with Proposition 98 General Funds.
- \$159 million to fully fund CCC equalization; this funding is tied to the enactment of pending legislation, SB 361 (Scott), to revise the formula for allocating future funding to CCC districts.
- \$10.5 million for various UC, CSU, CCC nursing initiatives, including funding for expanded nursing enrollments, nursing faculty recruitment, and targeted student financial aid.
- \$26.3 million in General Funds to support academic preparation programs at UC and CSU (the Governor's budget had initially proposed no State monies for these programs).
- A compromise marginal cost funding methodology that will provide essentially the same level of per-student funding for new enrollments as that proposed by the Governor. This new formula will result in increased funding over 2005-06 levels of approximately \$10 million for UC and \$13 million for CSU.
- \$2 million for the new UC – CCC "Joint Transfer Initiative for Access and Success," a comprehensive program of services designed to increase the enrollment of prospective transfer students from educationally disadvantaged backgrounds into the University of California.